

Amendments to the Specification:

Please amend the paragraph beginning on page 2, line 18 as follows:

In accordance with a first aspect of the present invention, there is provided a method of reducing noise in a signal containing speech and noise related to each other by having a signal to noise ratio, the method comprising the steps:

- (1) detecting the presence and absence of speech;
- (2) in the absence of speech, determining a noise magnitude spectral estimate ($|\hat{N}(f)|$);
- (3) in the presence of speech, comparing the magnitude spectrum of the input signal ($|X(f)|$) to the noise magnitude spectral estimate ($|\hat{N}(f)|$);
- (4) calculating an attenuation function ($H(f)$) from the magnitude spectrum of the input signal ($|X(f)|$) and the noise magnitude spectral estimate ($|\hat{N}(f)|$), the attenuation function ($H(f)$) being dependent on the signal to noise ratio; and,
- (5) modifying the input signal by the attenuation function ($H(f)$), to generate a noise reduced signal wherein there is no substantial modification to the input signal for very low and for very high signal to noise ratios.

Please amend the following paragraph which was previously inserted before the paragraph beginning on page 2, line 28 as follows:

Preferably, the method further comprises the steps of:

- (6) supplying the input signal to an amplification unit;
- (7) providing the noise reduced signal to a compression circuit which generates a control signal for the amplification unit; and,
- (8) controlling the amplification unit with the control signal to modify the input signal to generate an output signal with compression and reduced noise.

Advantageously, step (67) comprises subjecting the input signal to an auxiliary a main noise reduction algorithm to generate an auxiliary a main noise reduced signal and providing the auxiliary main noise reduced signal to the compression circuit amplification unit.

Please amend the following paragraphs which were previously inserted before the paragraph beginning on page 2, line 32 as follows:

~~In one embodiment, step (6) comprises applying the steps (1) to (5) to the input signal prior to supplying the input signal to the amplification unit.~~

83
Furthermore, in one embodiment, step (6) comprises applying the steps (1) to (5) to the input signal prior to supplying the input signal to the amplification unit.
Accordingly, the input signal may be subjected to a main noise reduction algorithm to generate a modified input signal which is supplied to the amplification unit. The auxiliary noise reduction algorithm may comprise the same noise reduction method as the main noise reduction algorithm. Alternatively, the auxiliary noise reduction algorithm may be different from the noise reduction method in the main noise reduction algorithm.